

Alaska Energy Cost Reduction Program Progress Report

Grantee: Alaska Power & Telephone Company

Project Name: Upper Lynn Canal Power Supply Projects (Denali)

Financial Assistance Award # 296-07

Period of Report: Third Quarter 2007 (July 1, 2006 to September 30, 2006)

Project activities completed:

- FERC approved the penstock design for construction.
- Install and weld steel pipe between powerhouse and road (140 feet).
- Formed and poured concrete thrust blocks for penstock bends and road crossing.
- Install 1300 feet of 42" ductile iron pipe with thrust blocks and backfill along road.
- Slope east of the powerhouse covered the buried penstock with riprap.
- Applied additional jute netting and a grass seed mix blend as prescribed by the USFS to the top of east bank and on lower penstock right of way.
- FERC and USFS approved start of road extension construction to the dam site.
- Trees cleared for the 1400 foot road extension right of way.
- Excavate, drill and blast road extension to the Kasidaya Creek bridge location.
- Receive and transport turbine inlet valve and generator parts to the powerhouse.
- Haul slash and trees from road extension to landing at the beach.

Project existing or potential problems:

Normal equipment issues requiring repairs on site or in Skagway have occurred. Delays with the license amendment and agency approvals to extend the road to the dam site have shifted the construction into late fall and winter. Construction of the bridge and dam during the winter will be challenging if the weather is similar to last year. The diversion dam has to be built during the low water period during winter 2007 and spring 2008.

Activities targeted for Next Reporting Period, Forth Quarter 2007:

- Complete the road extension to the dam site.
- Construct bridge abutments after FERC approves the design
- Continue penstock and thrust block installations.
- Receive remaining powerhouse equipment and transport to powerhouse.
- Move job trailer and construction tool containers and equipment to bridge and dam sites.